

Before The
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of)	
)	IB Docket No. 03-38
Bayan Telecommunications Company)	
Digital Telecommunications Philippines, Inc.)	
Globe Telecom, Inc.)	
Philippine Long Distance Telephone Company)	
Smart Communications, Inc.)	
Subic Telecom)	
)	
AT&T Emergency Petition for Settlements)	
Stop Payment Order and Request for)	
Immediate Interim Relief)	

S U P P L E M E N T

William S. Pamintuan
Ricardo M. Dira

110 E. Rodriguez, Jr. Avenue
Bagumbayan, Quezon City
Philippines 1100

Digital Telecommunications Phils., Inc. (DIGITEL) is respectfully submitting its Supplement to the Comment dated 19 February 2003 and respectfully avers that:

THE TERMINATION OF AT&T CALLS ON THE U.S.-PHILIPPINES ROUTE TO ITS DIRECT CIRCUITS WITH DIGITEL IS ALWAYS SUBJECT TO THE WHIM AND CAPRICE OF AT&T.

In its Comment dated 19 February 2003, DIGITEL respectfully stressed to the Honorable Commission that it did not and has not blocked any AT&T circuit. Thus –

“In its letter dated 7 February 2003, AT&T had asked DIGITEL to unblock AT&T circuits immediately. DIGITEL replied in its letter dated 11 February 2003 that ‘if AT&T only took time to verify its call data records, then **AT&T would have discovered that DIGITEL have not and did not block calls originating from AT&T circuits.** The volume of traffic from AT&T to DIGITEL from 1 to 9 February 2003 belies any claim of a blockage as 1,603,191.9 minutes were monitored coming in,’ which is just about the normal average of 150,000 minutes a day for traffic from the U.S.-Philippine route of AT&T and DIGITEL prior to 1 February 2003, the day Philippine carriers allegedly block AT&T x x x x” (please refer to DIGITEL’s Comment, page 5).

Without imputing any malice on AT&T nor making any conclusion as to its reaction thereon, it is quite surprising that, upon posting of DIGITEL’s Comment on the ECFS of the Honorable Commission, AT&T subsequently issued a Press Statement dated 25 February 2003 stating, *inter alia*, that more AT&T calls are getting through DIGITEL’s network. Incidentally, the said press statement was released by Mr. Greg Brutus of AT&T Asia/Pacific Group through a Philippine Public Relations firm, Ardent Communications, Inc. A copy of said press statement is hereto attached as Annex “A”.

What is quite ironic is that at the time the Press Statement was issued, **there was zero traffic being passed by AT&T to DIGITEL on the U.S.-Philippine route for the past three (3) days already!**

Indeed, AT&T made it appear that, among the Philippine carriers named respondent in the above-captioned petition, only DIGITEL acted. But, **the truth of the matter is that DIGITEL did not do anything at all.** DIGITEL's circuits with AT&T remained open and it was only up to AT&T to pass traffic thereon. This is because **the inflow of inbound traffic or traffic on the U.S.-Philippine route to DIGITEL was totally and solely under the discretion and control of AT&T alone** and subject to its whim and caprice. That is way for a period of four (4) days, or from 22 February 2003, DIGITEL received very minimal inbound minutes or totally no inbound traffic at all from AT&T. To illustrate, the traffic profile of AT&T for the month of February 2003 to date is -

Date	Traffic Volume (In Minutes)
1-Feb	253,416
2-Feb	247,835
3-Feb	184,791
4-Feb	145,011
5-Feb	114,031
6-Feb	102,520
7-Feb	149,715
8-Feb	174,922
9-Feb	232,011
10-Feb	196,271
11-Feb	98,607
12-Feb	100,021
13-Feb	94,411
14-Feb	137,103
15-Feb	113,460
16-Feb	144,959
17-Feb	95,576
18-Feb	82,983
19-Feb	78,810
20-Feb	78,985
21-Feb	83,634
22-Feb	10,368
23-Feb	-

24-Feb	-
25-Feb	-
26-Feb	74,000

As can be gleaned thereon, the flow of daily inbound traffic was already on the decline *vis-à-vis* its past historic average of 150,000 minutes a day prior to the controversy. In fact, **there was zero traffic for three (3) days which again proves that even with and inspite of the pendency of the above-captioned petition AT&T is still arrogantly whipsawing DIGITEL!**

Interestingly, it was only when DIGITEL inquired from AT&T why inbound traffic dropped to only 10,368 minutes on 22 February 2003 and why no traffic at all was passed from 23 to 25 February 2003 that AT&T resumed on 26 February 2003 the termination of some inbound traffic albeit this was just some 74,000 minutes, which was still below 50% of the historic daily average of 150,000 minutes.

The present inbound traffic being sent by AT&T to DIGITEL during the pendency of the above-captioned petition begs the question as to whether AT&T is really sincere in its efforts to seek redress from the Honorable Commission. As it is, AT&T can and is guilefully manipulating the flow of inbound traffic to suit its need just to show to the Honorable Commisison that there is an alleged ongoing blockade of circuits, of which there is not insofar as DIGITEL is concerned. Surely, the manipulation of inbound traffic, more than anything else, proves that AT&T did not seek redress before this Honorable Commission with clean hands.

Moreover, against the mandate of ITU for bilateral negotiations, AT&T refused and is still refusing to negotiate with DIGITEL. Its counter-proposal which was received after the institution of the above-captioned petition was not only demeaning but deplorable as well.

The past few days saw AT&T's conduct of "negotiation", which is to whipsaw small Philippine carriers like DIGITEL. Now, with its Press Statement of 25 February 2003, AT&T is trying to pit one Philippine carrier against another.

CONCLUSION

Again, DIGITEL reiterates that it vehemently opposes the petition filed by AT&T. AT&T has no cause of action against DIGITEL as the latter never blocked any AT&T circuit terminating to its network; neither was there any disruption of service that was suffered by AT&T. AT&T has, on the contrary, been manipulating the flow of inbound traffic to DIGITEL since the controversy started and has in fact been whipsawing DIGITEL to force the latter to agree to its insulting counter-proposal.

Respectfully submitted.

27 February 2003.

DIGITAL TELECOMMUNICATIONS PHILS., INC.

By: William S. Pamintuan
Ricardo M. Dira

110 E. Rodriguez, Jr. Avenue
Bagumbayan, Quezon City
Philippines 1110

FROM : 0000000000

PHONE NO. :

Feb. 27 2003 04:21PM P1

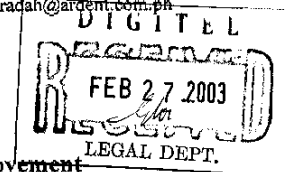


For Further Information:

Greg Brutus
AT&T Asia/Pacific Group
Tel: 852 2506 5046
Email: greg.brutus@ap.att.com.

Jackie Calalo/Alma Radah
Ardent Communications, Inc.
Tel. 632 887-2247
Email: radah@ardent.com.ph

PRESS STATEMENT: 25 February 2003



**New AT&T network performance data shows improvement
of call completion with Digitel**

AT&T reported today that Digital Telecommunications (Digitel) of the Philippines is improving its call completion rates for US originated calls to the Philippines. According to recent network performance statistics, AT&T's customers in the US are completing many more calls on Digitel's network as compared to the previous network disruption experienced earlier in the month. While the call completion rates have not recovered to pre-February 1 levels, AT&T is pleased to see Digitel has taken steps to improve the situation.

Digitel's leadership in improving the flow of vital telecommunications traffic will allow negotiations to proceed and AT&T reiterated its interest in negotiating new, more cost-based call termination rates with Digitel.

Unfortunately, the network performance statistics for the other carriers, who represent about 90 per cent of all calls from the US into the Philippines, still indicate that AT&T's customers' calls cannot be terminated directly into these carriers networks. While the ongoing dispute over the unilateral rate increase by Philippine carriers continues, AT&T expressed its hope that other domestic carriers would follow Digitel's progressive lead. This positive action could also open up negotiations to end the current impasse.

- more -

FROM : 0000000000

PHONE NO. :

Feb. 27 2003 04:22PM P2

- 2 -

About AT&T Asia Pacific

AT&T Asia Pacific (www.ap.att.com) has a significant presence in the region, with offices in 13 markets. The company offers advanced communication services, including voice, data connectivity and networking solutions to businesses, governments and consumers. In Japan, NTT Communications holds a 15 per cent equity interest in AT&T Global Network Services Japan.

Safe Harbour

The foregoing are "forward-looking statements" which are based on AT&T management's beliefs as well as on a number of assumptions concerning future events made by and information currently available to management. Readers are cautioned not to put undue reliance on such forward-looking statements, which are not a guarantee of performance and are subject to a number of uncertainties and other factors, many of which are outside AT&T's control, that could cause actual results to differ materially from such statements. For a more detailed description of the factors that could cause such a difference, please see AT&T's filings with the Securities and Exchange Commission. AT&T disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

- more -